

**CALIFORNIA BOARD OF ACCOUNTANCY**

2000 EVERGREEN STREET, SUITE 250  
SACRAMENTO, CA 95815-3832  
TELEPHONE: (916) 263-3680  
FACSIMILE: (916) 263-3675  
WEB ADDRESS: <http://www.dca.ca.gov/cba>



**SPECIAL MESSAGE REGARDING  
TEMPORARY/INCIDENTAL PRACTICE  
FOLLOWING THE ENACTMENT OF AB 1868  
Effective September 25, 2006**

AB 1868 (Bermudez, Chapter 458, Statutes of 2006) institutes a limited form of temporary/incidental practice that is subject to certain important conditions. This provision, subdivision (b) of California Business and Professions Code Section 5050, reads as follows:

Nothing in this chapter shall prohibit a certified public accountant, a public accountant, or a public accounting firm lawfully practicing in another state from temporarily practicing in this state incident to practice in another state, provided that an individual providing services under this subdivision may not solicit California clients, may not assert or imply that the individual is licensed to practice public accountancy in California, and may not engage in the development, implementation, or marketing to California consumers of any abusive tax avoidance transaction, as defined in subdivision (c) of Section 19753 of the Revenue and Taxation Code. A firm providing services under this subdivision that is not registered to practice public accountancy in California may not solicit California clients, may not assert or imply that the firm is licensed to practice public accountancy in California, and may not engage in the development, implementation, or marketing to California consumers of any abusive tax avoidance transaction, as defined in subdivision (c) of Section 19753 of the Revenue and Taxation Code. This subdivision shall become inoperative on January 1, 2011.

**Individuals not licensed, and firms not registered, in California that provide services under this provision may not solicit California clients, may not assert or imply that they are authorized to practice public accountancy in California, and may not engage in the development, implementation, or marketing to California consumers of any abusive tax avoidance transaction.**

**If the practitioner has concerns about whether the services he or she provides fit within the scope of the “temporary/incidental” practice provision, then the option of obtaining a practice privilege should be considered.**

The Board is in the process of developing regulations to clarify the meaning of the phrase “temporarily practicing in this state incident to practice in another state” in subdivision (b) of Section 5050 above.

*(continue to page 2)*

**During the remainder of this year and the first part of next year, the Board will be discussing this matter and preparing a proposed regulation for public comment and adoption. The text of the proposed regulation will be posted on this Web site and, during the comment period, there will be ample opportunity for all interested parties to provide input regarding the proposed definition. We anticipate that the rulemaking process will be completed so that the regulation can become operative sometime in the summer or fall of 2007.**

9/25/06